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Attorneys for Idaho Clean Energy Association

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY
MOUNTAIN POWER TO CLOSE THE
NET METERING PROGRAM TO NEW
SERVICE & IMPLEMENT A NET
BILLING PROGRAM TO
COMPENSATE CUSTOMER
GENERATORS FOR EXPORTED
GENERATION

Case No. PAC-E-19-08

IDAHO CLEAN ENERGY ASSOCIATION'S
COMMENTS ON STUDY DESIGN

Idaho Clean Energy Association, Inc. ("ICEA"), respectfully submits the following Comments on Study Design in response to Rocky Mountain Power's ("Rocky Mountain Power" or "Company") supplemental application ("Supplemental Application") filed on April 23, 2020. ICEA appreciates the opportunity to provide these comments and looks forward to engaging with stakeholders as the case moves forward.

1. General comments

ICEA is an Idaho nonprofit organization dedicated to the advancement of renewable energy, energy efficiency, and associated technologies in the state of Idaho. Its membership consists primarily of members involved in the renewable energy industry in Idaho. ICEA hopes to bring to this case the experience of solar installers and the perspective of customers that are considering investing in, or have invested in, distributed energy systems.

Overall, ICEA believes that any changes to the Company's net metering program should be 1) understandable to solar installers and to customers; and 2) proportional to the underlying issue that the changes are trying to address. In the long run, simplicity, and proportionality should promote understanding and compliance by installers and customers alike.

ICEA agrees with, and adopts, the comments made by Idaho Conservation League in this case. Instead of repeating those comments here, ICEA provides the following additional specific comments.

2. Net hourly billing should be thoroughly studied and explained while building capacity for customers and installers to understand the financial aspects of on-site generation under a net hourly billing construct.

In ICEA's experience, the change from net monthly to net hourly billing causes significant disruption and confusion to customers and installers alike. To understand the financial impacts of an on-site generation under net hourly billing, a customer and installer need to obtain, review, and understand a customer's annual demand information on an hourly basis; obtain, review, and understand the generation system's annual production information on an hourly basis; and attempt to compare the two to the utility's tariffed energy rates. This is a time-consuming and difficult process that reduces the certainty and consistency of installers to predict, and customers to understand, the financial implications of on-site generation.

For example, in ICEA's experience, different installers have attempted to model the financial implications of on-site generation under a net hourly billing construct. The models are difficult to create and vary considerably from installer from installer. Customers are confused when shown different models with different financial results, and customers are likely to be confused and upset if the models prove to be inaccurate.

As a whole, in ICEA's experience, net hourly billing is likely to significantly increase customer confusion, to significantly decrease the predictability of the financial impacts of on-site

generation, and to significantly decrease customer satisfaction.

These difficulties are inherent in net hourly billing—neither study nor education can fully remove them. However, in an attempt to address these issues, ICEA suggests the following for the study design phase.

- **Impacts on customers.** ICEA suggests that the study should assess how a net hourly billing program improves or diminishes the customer’s ability to evaluate the financial impact of a potential investment in on-site generation. This information is critical for the Commission to understand the tradeoffs associated with any move to net hourly billing.
 - **Impacts on installer’s ability to serve customers.** ICEA suggests that the study should assess how a net hourly billing program improves or diminishes an installer’s ability to a) provide evaluations to customers regarding the financial impact of potential investments in on-site generation; and b) to comply with the Residential Solar Energy System Disclosure Act, Idaho Code § 48-1805.
 - **Outreach and education.** Although not strictly part of study design, ICEA suggests that the workshops and other public-outreach activities in this case include a component designed to explain net hourly billing to customers and installers, including how installers and customers can access the annual hourly data necessary to evaluate financial impacts of investing in on-site generation under a net hourly billing construct.
- 3. Existing customers should be grandfathered according to the terms set forth by the Commission in Order Nos. 34509 and 34546.**

Rocky Mountain Power propose to grandfather existing customers for a period of ten years beginning on July 31, 2020 at midnight. Supplemental Application ¶21. The Company does not provide a basis for the ten-year grandfathering period.

In Order No. 34509, the Commission grandfathered existing Idaho Power net metering

customers starting thirty days after the service date of that decision. Case No. IPC-E-18-15, Order No. 34509 (Dec. 20, 2019) at 10. The Commission's decision was based on the following:

- The Commission had legal authority to distinguish between existing and new customers, Order No. 34509 at 11-12;
- The payback period of on-site generation is sensitive to program changes, *id.* at 12;
- While customers had notice that rates may change, the public believed that fundamentals of the program structure would not change, *id.*; and
- Customers had made significant investments in on-site generation systems, *id.*

In Order No. 34546, the Commission clarified that grandfathering applied to a particular system, rather than to a particular customer, and provided guidance as to when a customer can expand a system without losing grandfathered status. Case No. IPC-E-18-15, Order No. 34546 (Feb. 5, 2020) at 8-9.

Rocky Mountain Power customers share these characteristics. As such, the policies behind grandfathering Idaho Power customers apply with equal force to Rocky Mountain Power customers. In addition, grandfathering some customers under conditions different than other customers is likely to add additional confusion to customers and solar installers, and raise legitimate questions as to why customer investments in a particular geographical area were protected to a different degree than investments in a different geographical area. For these reasons, ICEA submits that Rocky Mountain Power customers should be grandfathered under the terms set forth in order No. 34509 and 34565.

4. Smart inverters and interconnection.

ICEA notes that the Company does not appear to have proposed any changes to smart inverter settings or interconnection requirements. ICEA suggests that the study and any associated outreach should include an explanation of any policies regarding smart inverters and

interconnection requirements. If any changes to smart inverters or interconnection requirements are proposed or anticipated as part of any change to the net metering program, ICEA requests that these changes be clearly identified, their affects included within the scope of any study, and that the Company provide interested parties with notice and the opportunity to meaningfully comment on the proposals.

Dated: May 26, 2020.

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CERTIFICATE OF SERVICE

I certify that on May 26, 2020, a true and correct copy of IDAHO CLEAN ENERGY ASSOCIATION'S COMMENTS ON STUDY DESIGN was served upon all parties of record in this proceeding via the manner indicated below:

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